



Minutes City Council Issue Review Session February 15, 2007

Minutes of the Tempe City Council Issue Review Session held on Thursday, February 15, 2007, 6:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman

Vice Mayor Hut Hutson

Councilmember P. Ben Arredondo

Councilmember Barbara J. Carter

Councilmember Shana Ellis

Councilmember Mark W. Mitchell

Councilmember Onnie Shekerjian

Mayor Hallman called the meeting to order at 6:06 p.m.

Call to the Audience

Eddie Gotia, Tempe, representing Downtown Tempe Community (DTC), re: Item #2, distributed a list of recommendations unanimously passed by the DTC Board of Directors last week. The Board also supports the recommendations coming forward from the ad hoc committee. The Board recommends Council support for further action in reviewing events in the downtown. The Board feels it is important to look at street closures, the impact of the many residents moving into the downtown area and the impact on current special events, and how that will be mitigated. Should the streets be closed only a given number of times per year? A separate discussion needs to be held to address this. It is important that huge signature events are not competing with other events being held at the same time, such as the downtown festivals held twice a year. Regarding the fund-raising of some of the fees, the Board felt strongly that the funds should go back to Tempe non-profit organizations.

Mayor Hallman asked if Mr. Gotia was recommending that Council not pass the recommendations staff has made.

Mr. Gotia clarified that the Board felt all recommendations should be passed, but a separate discussion should be held concerning the downtown events.

Bill Butler, Tempe, re: Item #7, has worked with Arizona Department of Transportation (ADOT) in a small

way to get some understanding about the transition between US 60 and I-10. He was appalled that staff did not know that ADOT already owned the right-of-way on the west side of the Peterson Subdivision. They could get started with our problems at least and provide a few more lanes. He suggested that the off-ramp be widened and temporarily close the off-ramp from the freeway at 52nd Street. ADOT said that couldn't be closed because of the industrial area and we couldn't get into the Peterson Subdivision for political reasons. He has followed this since the meeting at the North Side Multigenerational Center regarding additional lanes for the 202. Something has to be done. We can start somewhere and not wait for the billion dollar project. We can start with that off-ramp. They have the land and they can do it.

Gail Boyd, Tempe, representing the Tempe Artist Guild. The Tempe Artist Guild is a group of 56 Tempe fine artists. The guild is very interested in Arts Center policy. It's a center for the performing arts, but there will be a gallery, and the guild would very much like to be able to exhibit in that gallery. The guild wonders if the old Performing Arts Center could be used for exhibits in the future. She introduced the officers of the Tempe Artist Guild.

Joe Pospicil, Tempe, Item #2. This is an item of supply and demand. The supply is small (Tempe Beach Park) with a huge demand for use. Maybe the fees should be a little higher.

Dave Wells, Tempe, Item #6. It has been encouraging to see Council move in the direction of affordable housing, but there is so much farther to go. Last June, he outlined plans where the City could put forward approximately \$2M-\$3M per year to help support affordable housing. The key point was that half the sales/privilege tax could be devoted to an affordable housing fund and that the City could consider matching some of the fees charged to developers. That was late in the budget process, but now this is earlier and he asked Council to consider that. We really need to push forward for a way to create affordable housing.

Tempe Beach Park/Town Lake Event Criteria

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Parks & Recreation Manager Mark Richwine; Deputy Manager Recreation Travis Dray

Mark Richwine summarized that staff is present to report back after direction was given in December on some recommendations for improving our events process as well as fees for use of Tempe Beach Park.

Mayor Hallman explained that early last year it was clear that Tempe Beach Park was being overused, loved to death, and the community's opportunity to use the park was being sacrificed to a variety of events. Council directed last April that staff craft some new policies that would help reduce the overuse of the park and make it more available to the community, as well as set some priorities for the events we would continue. There's a fairly significant chart that has 135 events and the priorities assigned to them. Staff assembled a series of meetings with several stakeholders, such as members of the Parks & Recreation Advisory Board, Rio Salado Commission, key internal staff, DTC staff, TCVB staff, along with TCC staff, as well as Tempe Police. A feedback and input meeting was also held with promoters of events in and around Tempe Town Lake. This

information was assembled to make the following recommendations on the four directives from Council:

- Non-profit/profit – Staff recommends addressing these with the terms “commercial” and “non-commercial.” Commercial defines events that are for-profit specifically and non-commercial defines events that are of IRS non-profit status, such as 501(c)(3), (6) and (9). Also included are events that are conducted for community benefit such as high school parades, Veterans Day parades, and events at Tempe Beach Park.
- Fees - Staff took the recommendations to the Finance, Economy and Veterans Affairs Committee. The fees not only include Tempe Beach Park but also fees for areas in and around Tempe Beach Park and Town Lake.
- Alcohol - Staff recommends an “umbrella” approach which sets the standard that if events are going to ask the city to allow them to have alcohol, they will be held to the standards brought to them by the Tempe Police Department and Special Events Task Force, letting them know that public safety is the number one priority when it comes to events with these requests.
- Gated events - Staff recommends using a \$1 facility fee per ticket sold with a minimum of a \$5,000 rental fee with no maximum to provide an equitable balance for both the community use and the promoters who choose to gate the event.

Mr. Dray added that staff asks that this structure be rolled out July 1, 2007, and staff would immediately begin collecting data to return to Council at a later date for an update.

Mayor Hallman clarified that the goal was to ask staff for direction on how to move some events to these other areas, help make sure we recover the costs associated with doing that, but provide some alternatives for actually using Tempe Beach Park itself.

Mr. Dray added that no city services are included in these fees. These fees are basically real estate rental fees.

Councilmember Arredondo thanked staff for the thorough job.

Vice Mayor Hutson added that the Finance, Economy and Veterans Affairs Committee had the opportunity to go through this presentation and they were pleased with staff's work and recommended it come to Council. He had a personal concern, however, that the fees are a little low and he recommended to staff that they put into the proposal that comes to Council either a complete review after one year or two years to see where this program levels out to see if we are on the right track.

Mayor Hallman agreed that it should be brought back. Much like the golf rates, this is one of those where we are now testing how the market will respond. He would suggest coming back no later than January of next year, or sooner if we lose some of the events we want to keep. This is a careful balancing act.

Councilmember Carter thanked staff. She noted that the rates are still very reasonable. When the Rock 'n Roll Marathon first came to present to Council, she asked the question whether we would see any money back into our local non-profits from that event. She was assured that would be true, and she didn't think that is happening. She understood the dollar addition on each ticket with the proceeds to benefit the parks fund, but she suggested at least contemplating adding a dollar on for social services.

Mayor Hallman responded that Council has talked about this kind of idea and he believes it is part of the budget process. Social services should not be dependent upon the success or failure of the events. He did appreciate the DTC's idea that any additional funds raised should go to a specific coffer. The reason we're doing this is, in part, because Tempe Beach Park has taken a terrible beating and we have not been able to maintain it to this level and we're trying to get some of the funds available to bring it back to a community park. He would hate to sit here and start dictating special earmarks on all kinds of money. On the Rock 'n' Roll Marathon, this year they raised somewhat more than \$6M and a very large chunk of that went into the arms of local charities. He suggested looking at whether we are funding those organizations as well as they should be funded and that we should stop trying to earmark special funds. Either we're going to do the job and provide the funds, or we recognize we are short funds. While he appreciates some people thinking funds should be earmarked, he thought that's a mistake and it argues that some special events get particularly punished, for example, and others don't when the cost/benefit analysis should determine what we should be funding social services.

Councilmember Ellis clarified that gated events refers only to events where a ticket is sold. For instance, the Rock 'n Roll Marathon would not apply anyway because people can come and go and a ticket is not sold, or does it because people have to pay to register? She thought there were only three or four gated events, so this dollar wouldn't raise too much.

Mr. Richwine responded that there are a limited number of gated events where there is a separate admission fee charged to attend. Those are listed under contract events and would not be subject to some of the recommendations staff has made this evening because Council has previously entered into agreements for those events that spell out terms and conditions on how those will be treated. Clearly in the future when those events are up for renew or extension of their contract, Council may elect to renegotiate certain financial terms which may include some of the recommendations made this evening.

Councilmember Ellis clarified that the dollar per ticket is just for commercial events. So it is just a few events per year that would apply, and those figures could be supplied when staff returns.

Mayor Hallman added that it is a legitimate point to make that to the extent promises were made about the kinds of programs that would be supported by these local events, we have to make sure that is happening. It was just last week that he was meeting with promoters on one event, and another promoter the week before, and he stated he would like to see what their real track record is for supporting Tempe charities. He believed we will start seeing much better reporting from these organizations about the extent to which they are supporting and achieving the goals we wanted to have achieved. Again, what is our community getting out of these events? With some of them, it's the high profile that helps us generate more tax revenue for the City's general services. Some of it is the very charitable nature of the event. The Oktoberfest raises money for the Sister Cities programs, etc. He asked staff to make sure that Council gets that kind of reporting. With the AVP event, they promised certain delivery of results, and yet never could provide any data to show that those results were being delivered.

Councilmember Shekerjian thanked staff. Tempe is such a dynamic community and we are not so stuck in a rut that we can look at what will meet the needs of the community in terms of Tempe Beach Park this coming

year. Then we will re-assess and decide whether that will make it for next year.

Mayor Hallman suggested, in terms of the issues raised by the DTC, a separate discussion about how we should start looking at the downtown events. These came out of the Central City Development Committee of the Whole (CCD/COW), and maybe that's the right place to send this back and then work back through the CCD/COW to start working with the DTC. He suggested putting that into a CCD/COW format and begin that conversation.

Councilmember Arredondo noted that the staff memo recommends returning to Council in two years and he asked for clarification.

Mayor Hallman asked whether it was agreed to bring it back in January or sooner if staff believes it is necessary.

Vice Mayor Hutson clarified that he said a year or two years, whichever is comfortable for staff depending upon what level of information they have been able to obtain. He left it at a maximum of 2 years or sooner if they need to come back.

Mayor Hallman stated that he would ask for it to come back in one year.

Vice Mayor Hutson suggested a year from when it is passed.

Mayor Hallman clarified that we will see it back as part of the budget process of next year.

CONSENSUS

- Proceed as presented.
- Monitor fees to see if rates are adequate and return to Council during budget process in 2008 for review.
- Refer downtown events to Central City Development Committee of the Whole to develop recommendations.

Follow-up Responsibility: Mark Richwine

Art Center Policy & Procedures/Rate Structure

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Services Manager Tom Canasi; Cultural Services Director Jody Ulich; Cultural Facilities Administrator Don Fassinger

Tom Canasi summarized that this item comes forward at the recommendation of the Council's Arts and Community Services Committee and Council's Finance, Economy and Veterans Affairs Committee. This policy is presented after extensive community involvement working with our partner organizations, the Municipal Arts Commission, and benchmarking with local and national communities.

Mayor Hallman summarized that this is an incredible document. For each of the different areas in the facility, it lists rate charges associated with it, and different rate structures based on the connection to the community. It includes a rate structure for community organizations that are part of the Tempe family, for those that are non-profits outside of that family, and for those that are commercial.

Councilmember Arredondo suggested adding a phone number to the water bill and to the website.

Councilmember Shekerjian asked if there is a break for residents.

Mr. Canasi responded that the rates, benchmarked with other communities, are competitive.

Vice Mayor Hutson stated that the Finance, Economy and Veterans Affairs Committee detailed this. The Committee felt the rates are very competitive. The Committee recommends that this go to Council for a vote and recommends approval.

Councilmember Carter stated that the Arts and Community Services Committee has examined this and feels the rates are competitive.

Mayor Hallman asked staff whether this model will roll into the financial model developed for the Arts Center, that the model to generate the revenues anticipated so we don't pretend that we are going to make the money and end up with a lot of uncovered expenses.

Mr. Canasi responded that staff has taken a hard look at that; based on the partner organizations and their commitment, staff feels fairly confident that it should be able to meet the pro forma. As part of the annual budget process, staff intends to return with a continued review. The first year or two is designed to help the arts community transition into this new facility.

Mayor Hallman asked for clarification that staff wouldn't return the middle of next year asking for money, but that staff has planned to over-project expenses and under-project revenues and we won't end up with a shortfall that our budget will have to suffer.

Mr. Canasi clarified that staff will manage expenditures to make sure it is within the revenue projections.

Councilmember Carter asked when staff should return for review of the rates.

Mayor Hallman suggested returning during the budget cycle next year to see whether we have missed the mark.

CONSENSUS

- Proceed as presented.
- Monitor and return to Council for review during 2008 budget process.

Follow-up Responsibility: Tom Canasi

2007 Federal Program

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Government Relations Director Amber Wakeman; Community Relations Manager Shelley Hearn

Mayor Hallman summarized that Council sets up a list of priorities for interaction with our federal delegation to seek their assistance on programs for funds from the federal government. He added that last year, staff worked diligently and received with Apache Junction \$5.9M in funds for interoperable communications from the Department of Justice. We will seek additional funds this year. He asked if applications have been completed for those grant programs.

Amber Wakeman responded that they are not yet due and that Brenda Buren will work on those applications.

Mayor Hallman asked about the environmental restoration project funds. The government has been cutting back on those funds and we would like to get the last \$8.4M. He asked who is handling that for us.

Ms. Wakeman responded that she is working with Nancy Ryan and the Army Corps of Engineers.

Mayor Hallman asked how confident we are for the light rail funds.

Ms. Wakeman responded that it is included in the President's Budget so we are very confident that we will get the \$90M for light rail.

Councilmember Arredondo added he is glad that we will continue to monitor homeland security. Our constituents have asked that we stay on top of it.

Councilmember Mitchell asked whether the 10% reduction for the Community Development Block Grants is for this year.

Ms. Wakeman responded that there could be another reduction and she will investigate that.

CONSENSUS

Proceed as presented.

Follow-up Responsibility: Amber Wakeman

New Website Design

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Community Relations Manager Shelley Hearn; Communications Coordinator Michelle Gurrieri; Webmaster Dave Kelley

Shelley Hearn summarized that this was a joint department project between Community Relations and Information Technology and has been in the works for a couple of years. Staff has done a tremendous job in preparing the website which is very close to launch. Michelle Gurrieri, Communications Coordinator, was responsible for the design and new navigation of the site. Webmaster Dave Kelley was responsible for organizing the transfer of data from the old site to the new site and Webmaster Charlie Smith made all the technical aspects work.

Ms. Gurrieri explained that the goal for the design was to produce a more professional, clean look. The navigation of the site has had large changes. It has switched from a City department to a customer end-user navigation. The website was previewed, showing the navigation. It will continue to change.

Mr. Kelley added that all departmental things have been removed and it has been developed so that one click will take the user to what they want, with a maximum of three clicks. He added that the website is scheduled, with Council approval, to launch in 12 hours. Over 100 staff members have been working on this over the last 30 days.

Councilmember Mitchell thanked staff for their hard work.

Councilmember Ellis thanked staff for allowing departments to design their own web pages. She asked about the status of an automatic response being generated in response to on-line requests made by the public.

Mayor Hallman clarified that, for example, when someone submits a board and commission application on-line, is there an automatic response sent?

Mr. Kelley responded that in most cases, a page will come back thanking the person for the information.

Councilmember Shekerjian added that the web design is now under the Council's Education and Technology Advancement Committee, and the Committee had suggested that after a month or six weeks, staff should assemble some focus groups to provide feedback, and then look at adding an automated response. She added that it would be important to have the DTC provide feedback.

CONSENSUS

- Proceed as presented.
- After two months, assemble focus groups to provide feedback and return to Council's Education & Technology Advancement Committee.

Follow-up Responsibility: Shelley Hearn

Affordable Housing Strategy

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone; Housing Services

Administrator Liz Chavez

Mayor Hallman summarized that this is the Affordable Housing Strategy document that has been reviewed by the Council's Transportation and Affordable Housing Committee.

Chris Salomone summarized that with Council's concurrence, staff will continue to implement the multiple strategies which will rotate back to Council in the future. This is a working document that has the policy concepts staff would like to start pursuing and staff will start to develop the specifics and bring them forward for adoption.

Councilmember Ellis asked how fair housing is incorporated into the department and the Affordable Housing Strategy, in general.

Liz Chavez responded that fair housing is mandated to be carried out in the division because federal funding is received. Theresa James is the fair housing coordinator who carries out those duties for the City. Every year she does a survey and researches impediments for our City and also produces a manual based upon her findings of these impediments. This is available on the website as part of the Public Housing Plan and the Community Development Block Grant Plan.

Councilmember Carter asked if there was any indication that CDBG funds are going to be threatened.

Ms. Chavez responded that for 2007, level funding will continue, but it is uncertain for 2008.

Councilmember Carter asked if there are any national 501(c)(3) organizations that give money for any type of affordable housing for which the City could apply.

Ms. Chavez responded that she was unaware of any organizations.

CONSENSUS

Proceed as presented.

Follow-up Responsibility: Chris Salomone

ADOT I-10 Widening Options

INFORMATIONAL BACKGROUND available in City Clerk's Office

DISCUSSION – Presenters: Public Works Manager Glenn Kephart; LRT Project Manager Jyme Sue McLaren

Glenn Kephart stated that staff is seeking policy direction on proposed ADOT improvements along the I-10 corridor. Moving the project along expediently could be in the best interest of the City to improve capacity, especially in that area. In addition to working with ADOT to accelerate a smaller portion of that portion, staff is also looking at working with Maricopa Association of Governments (MAG) and ADOT to consider additional alternative improvements such as commuter rail. Staff also seeks policy direction on the acceleration of the

South Mountain 202 Loop which could also provide additional capacity relief to the City.

Mayor Hallman summarized that the City started with the I-10 and US 60 Broadway curve repairs to be given to Tempe back in 2000. Staff worked diligently to get a final document that said that ADOT would develop ramps that would take the traffic from the expanded capacity on US 60 off of US 60, put it on to I-10 and fix the Broadway curve to allow that to happen effectively. It has come to our attention that the project has become a project where everyone has decided this was an opportunity to put in transportation improvements. ADOT decided that planning through 2025 wasn't far enough and they wanted to look at through 2030, and planning for all the people who would move into Pinal County and south of Chandler, they now expanded that scope to include the environmental impact statement that would require improvements going not just from US 60 and I-10 and the Broadway curve, but also included improvements all the way to I-17 and 7th Avenue. The little ramp repair and Broadway curve repair that was promised to Tempe turned into this enormous \$1.3B project, that now appears to be delayed until 2012 imposing delays and traffic congestion. Staff has asked for Council direction to push forward to seek faster movement on the US 60/I-10 repairs, faster movement on the 143 extension pieces, faster movement on the South Mountain work-around, and finally as long as we're doing that, joining the Governor in her call for commuter rail in this corridor in particular.

Mr. Kephart clarified that ADOT's position, along with Federal Highway Administration, is that it is one large project and none of it can be done until environmental approval for all of it is secured, so that's the challenge staff is facing.

Councilmember Mitchell asked how far south the extension of the Broadway curve goes.

Ms. McLaren responded it goes to the U S 60, although the lanes start at about Elliot.

Mayor Hallman clarified that, originally, the project was to make sure the Broadway curve got stretched out property and straightened out and it required things going all the way back to Elliot. That part of the project is what we (City) were promised.

Councilmember Carter clarified that Council's consensus was to push for both of the commuter rail spurs, the one going out around Williams Field and the one down I-10, not choosing one over the other.

Mayor Hallman responded that he thought Council was pushing for whatever commuter rail we can get to relieve the traffic. There are actually three potential spurs that could give Tempe relief.

Ms. McLaren added that staff will be including all of those options in their evaluation, but staff is looking at both options because one relieves US 60 that feeds into I-10, and the other relieves the traffic from the south.

Councilmember Ellis clarified that, as far as the ramps go from the 60 to I-10, ADOT will not be going into the neighborhoods. The space for the ramps is already there.

Mr. Kephart responded that there would be physical construction.

Councilmember Ellis added that in 2000, ADOT met with the neighbors and let them know.

Mayor Hallman explained that there is no change to the width of the US 60 freeway. To get all of these things done that the City was promised, our community agreed to the widening to the current width. There is space on the eastbound US 60 that as of yet is not striped; as agreed, there is a place for asphalt. The Lacking full ramp capacity, it has not yet been completed. It's in our interest to get that lane completed earlier, even without an additional ramp, because it would get those cars out of the city faster for less pollution in the evenings.

Mr. Kephart added that there are a lot of complexities to this, and staff would like to continue to work with Council's Transportation and Affordable Housing Committee to work with these details and then bring them back to Council as appropriate.

Councilmember Carter added that in 2000, part of the rationale was that we were saying we wanted the collector/distributor (CD) roads completed prior to having the stretch of the US 60 done. She asked if the expansions of the CD roads done.

Mr. Kephart responded that they have not been done and were projected to be done in 2007.

Mayor Hallman added that at a couple of MAG meetings, he raised questions about why the solution for our community gets pushed back. The response from MAG was that in the last four weeks, this thing has gotten so big and they are not going to move forward until all of it is ready to go. If we could get them to move ahead immediately, we're hoping we could have the environmental work done by 2009. For example, we're asking them to start acquiring right-of-way on the Broadway curve portion in advance as well as other unique techniques to move this up so that the relief is granted before 2012. He added that if there is a priority, it would be the US 60 ramps and Broadway curve repair to make the US 60 portion efficient as it's supposed to be. That's what Tempe was promised in 2000.

CONSENSUS

Staff was directed to work with Council's Transportation & Affordable Housing Committee, MAG and ADOT to accelerate improvements on I-10 related to Broadway curve and to explore commuter rail options.

Follow-up Responsibility: Glenn Kephart

Formal Council Agenda Items

No agenda items were discussed.

Future Agenda Items

None.

Mayor's Announcements/Manager's Announcements

City Manager Will Manley introduced Denise Brewer, the new Streets Superintendent.

Mayor Hallman introduced Jan Hort, the new City Clerk.

Meeting adjourned at 7:30 p.m.

Jan Hort
City Clerk